

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

---

In the Matter of

PARK PLACE ENTERTAINMENT CORPORATION

(Registration)

---

SECOND REVISED ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board ("Board") on October 6, 1999, and before the Nevada Gaming Commission ("Commission") on October 21, 1999, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The application of Park Place Entertainment Corporation for (i) approval of an acquisition of control of Caesars World, Inc., (ii) a finding of suitability as the sole shareholder of Caesars World, Inc., (iii) a finding of suitability as the sole shareholder of Consolidated Supplies, Services and Systems, (iv) approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc. and Consolidated Supplies, Services and Systems in conjunction with credit agreements and 7.95% Senior Notes due 2003 ("Notes") issued by Park

Place Entertainment Corporation pursuant to a private placement, and (v) amendments to its Revised Order of Registration;

b. The application of Parball Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc. in conjunction with credit agreements and the Notes;

c. The application of Caesars World, Inc. for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation in conjunction with credit agreements and the Notes;

d. The application of Caesars Palace Corporation for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc. in conjunction with credit agreements and the Notes;

e. The application of Desert Palace, Inc. for approval to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc. in conjunction with credit agreements and the Notes; and

f. The application of Consolidated Supplies, Services and Systems for licensure as a manufacturer and distributor.

2. THAT the Revised Order of Park Place Entertainment Corporation dated August 19, 1999, is hereby amended and restated, in its entirety, by this Second Revised Order of Registration, subject to the provisions of Paragraph 28.

3. THAT Park Place Entertainment Corporation is registered as a publicly traded corporation, is approved, pursuant to NGC Regulation 16.200, to acquire control of Caesars World, Inc. and is found suitable as the sole shareholder of Parball Corporation, Caesars World, Inc. and Consolidated Supplies, Services and Systems, subject to the provisions of Paragraph 28.

4. THAT Parball Corporation is registered as an intermediary company and is found suitable as the sole shareholder of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc.

5. THAT Caesars World, Inc. is registered as an intermediary company and is found suitable as the sole shareholder of Caesars Palace Corporation, subject to the provisions of Paragraph 28.

6. THAT Caesars Palace Corporation is registered as an intermediary company and is found suitable as the sole shareholder of Desert Palace, Inc., subject to the provisions of Paragraph 28.

7. THAT Desert Palace, Inc., dba Caesars Palace and dba Caesars Tahoe, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3570 Las Vegas Boulevard South, Las Vegas, and at 55 Highway 50, Stateline, respectively, subject to such conditions or limitations as may be imposed by the Commission; and that Desert Palace, Inc., is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission, subject to the provisions of Paragraph 28.

8. THAT Desert Palace, Inc., is registered as an intermediary company and is found suitable as the sole shareholder of Tele/Info, Inc., subject to the provisions of Paragraph 28.

9. THAT Tele/Info, Inc., is licensed as a disseminator, subject to such conditions or limitations as may be imposed by the Commission, subject to the provisions of Paragraph 28.

10. THAT the approvals granted herein for Tele/Info, Inc., are expressly conditioned that Desert Palace, Inc., or any of its affiliated companies, shall only be allowed to have a contractual relationship with one race track or race association at a time for the purpose of receiving and disseminating live broadcasts, subject to the provisions of Paragraph 28.

11. THAT Parball Corporation, dba Flamingo Hilton Las Vegas, and dba O'Sheas Casino, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and

nonrestricted gaming operations, including a race book and sports pool, at 3555 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

12. THAT Parball Corporation, dba Bally's Las Vegas/Paris Las Vegas, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 3645 Las Vegas Boulevard South, Las Vegas, subject to such conditions or limitations as may be imposed by the Commission; provided that, the license issued to Parball Corporation to conduct gaming at Bally's Las Vegas/Paris Las Vegas is expressly conditioned upon the existence and maintenance of a pedestrian walkway linking Bally's Las Vegas/Paris Las Vegas at 3645 Las Vegas Boulevard, South and 3655 Las Vegas Boulevard, South and further, that said pedestrian walkway be open and accessible to the public during all times that gaming is conducted on the premises of Bally's Las Vegas/Paris Las Vegas.

13. THAT FHR Corporation, dba Reno Hilton Resort, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 2500 East Second Street, Reno, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

14. THAT FHR Corporation, dba Flamingo Hilton Reno, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 255 North Sierra Street, Reno, Nevada, subject to such conditions or limitations as may be imposed by the Commission; provided that, the license issued to Flamingo Hilton-Reno, Inc. to conduct gaming at the Flamingo Hilton Reno is expressly conditioned upon the existence and maintenance of a pedestrian walkway linking the Flamingo Hilton Reno at 241 North Virginia Street and 255 North Sierra Street, and further, that

said pedestrian walkway be open and accessible to the public during all times that gaming is conducted upon the premises of the Flamingo Hilton Reno.

15. THAT LVH Corporation, dba Las Vegas Hilton, is licensed to conduct off-track pari-mutuel race wagering and sports wagering and nonrestricted gaming operations, including a race book and sports pool, at 3000 Paradise Road, Las Vegas, Nevada, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

16. THAT Flamingo Hilton-Laughlin, Inc., dba Flamingo Hilton-Laughlin, is licensed to conduct off-track pari-mutuel race wagering and nonrestricted gaming operations, including a race book and sports pool, at 1900 Casino Drive, Laughlin, Nevada, subject to such conditions or limitations as may be imposed by the Commission, and is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

17. THAT Consolidated Supplies, Services and Systems is licensed as a manufacturer and distributor, subject to such conditions or limitations as may be imposed by the Commission.

18. THAT in conjunction with the two Short Term Credit Agreements dated as of August 31, 1999 and the Five-Year Senior Unsecured Revolving Credit Facility dated as of December 31, 1998, (collectively, the "Credit Agreements"), and the Notes issued by Park Place Entertainment Corporation pursuant to a private placement on August 2, 1999, Park Place Entertainment Corporation is approved, pursuant to NGC Regulations 15.510.1-4 and 15.585.7-3, as applicable, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Parball Corporation, Caesars World, Inc. and Consolidated Supplies, Services and Systems, subject to the provisions of Paragraph 28.

19. THAT in conjunction with the Credit Agreements and the Notes, Parball Corporation is approved, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of LVH Corporation, FHR Corporation and Flamingo Hilton-Laughlin, Inc.

20. THAT in conjunction with the Credit Agreements and the Notes, Caesars World, Inc. is approved, pursuant to NGC Regulation 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Caesars Palace Corporation, subject to the provisions of Paragraph 28.

21. THAT in conjunction with the Credit Agreements and the Notes, Caesars Palace Corporation is approved, pursuant to NGC Regulation 15.510.1-4 and 15.585.7-3, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Desert Palace, Inc., subject to the provisions of Paragraph 28.

22. THAT in conjunction with the Credit Agreements and the Notes, Desert Palace, Inc., is approved, pursuant to NGC Regulation 15.510.1-4, to place restrictions upon the transfer of, and to enter into agreements not to encumber, the equity securities of Tele/Info, Inc., subject to the provisions of Paragraph 28.

23. THAT Park Place Entertainment Corporation shall establish and maintain a compliance committee, for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by Park Place Entertainment Corporation, its subsidiaries and any affiliated entities, with the Nevada Gaming control Act (the "Act"), as amended, the Commission's Regulations, as amended (the "Regulations"), and the laws and regulations of any other jurisdictions in which Park Place Entertainment Corporation, its subsidiaries and any affiliated entities operate. The compliance committee plan, any amendments thereto, and the members, one such member which shall be independent, shall be administratively reviewed and approved by the Chairman of the Board, or his designee. Park Place Entertainment Corporation shall amend the compliance

committee plan, or any element thereof, and perform such duties as may be assigned by the Chairman of the Board, or his designee related to a review of activities relevant to the continuing qualification of Park Place Entertainment Corporation under the provisions of the Act and Regulations.

24. THAT Park Place Entertainment Corporation shall fund and maintain with the Board a revolving fund in the amount of \$25,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring and investigative reviews of all activities, including public offerings, of Park Place Entertainment Corporation, its subsidiaries and any affiliated entities.

25. THAT pursuant to NRS 463.625, Park Place Entertainment Corporation is hereby exempted from compliance with NRS 463.585 through NRS 463.615, inclusive, and shall instead comply with NRS 463.635 through NRS 463.645, inclusive.

26. THAT Park Place Entertainment Corporation is hereby exempted from compliance with NGC Regulation 15 and shall instead comply with NGC Regulation 16.

27. THAT the Commission hereby expressly finds that the exemptions hereinabove granted are consistent with the State policy set forth in NRS 463.0129 and NRS 463.489.

28. THAT immediately upon approval by the Commission, Park Place Entertainment Corporation is approved to acquire control of Caesars World, Inc. as described where applicable in Paragraphs 2 and 3 of this Second Revised Order of Registration. If the acquisition of control of Caesars World, Inc. by Park Place Entertainment Corporation is not consummated by November 30, 1999, unless administratively extended by the Chairman of the Board or his designee, then the approval to acquire control of Caesars World, Inc. and the finding of suitability to own the stock of Caesars World, Inc. referenced in Paragraph 3, the approvals related to Caesars World, Inc. referenced in Paragraph 18 and the provisions of Paragraphs 5,

6, 7, 8, 9, 10, 20, 21 and 22 shall all become null and void and shall not become effective, and the remaining provisions of this Second Revised Order of Registration shall remain effective.

ENTERED at Carson City, Nevada, this 21<sup>st</sup> day of October 1999.